

Personal Telephone Calls

Company telephones are for Company business. Public pay phones are available at all locations for personal calls, which should be made during breaks or lunches. Short (less than two-minute) calls are permitted, if there is an urgent matter or emergency.

Please ask your family and friends to contact you by phone only in an emergency. The caller should leave a message and you can return the call as soon as possible.

Employee Solicitations

Employees are always free to express their views and to solicit support for such views or for community or other programs in which they are personally interested. Generally, such expressions and canvassing should be done privately; they should not disrupt Company activities or infringe on the rights of others.

Fred Meyer does not permit:

- Solicitation of any kind in selling areas of any Company premises or during working time.
- Distribution of literature or printed matter in selling and other working areas or during working time.
- The use of Company facilities, equipment, letterhead, communications media (including intersection mail and bulletin boards) or other resources for the purposes of political, religious or other canvassing, or for purposes that are not accepted parts of the Company's programs and functions.

Exceptions to this policy are the annual United Way Campaign, the periodic Red Cross Blood Drives and other charity campaigns approved by the management committee.

Personal Weapons

Employees are prohibited from carrying or possessing personal weapons on Company premises or while performing job-related duties off Company premises.

For the purposes of this policy, the term weapon applies to all:

- Firearms (loaded or unloaded)
- Knives (except pocket knives with folding blades of less than 4 inches)
- Martial arts weaponry

Note: Holding a state or local license to carry a weapon does not entitle an employee to violate this policy.

Time and Attendance

Fred Meyer is a complex organization. Individual job responsibilities work in close synchronization with other areas in a team effort to achieve results. If any part of the team fails, all feel the consequences.

You are expected to be regular and punctual in attendance at your job so your department can function smoothly. However, if you must be late or absent because of illness or circumstances beyond your control, please inform your supervisor as soon as possible, at least one hour prior to your scheduled shift. If you need to request a specific day off, please submit your request in writing at least one week in advance (see your supervisor for specific details).

Most locations at Fred Meyer operate on a computer-based payroll system. You will receive a payroll card that you use to slide through a time clock to record your time. A record of your time is electronically transferred from the time clock to the on-site computer. (Check with your supervisor so (s)he can explain the rounding and grace rules for your particular location.) You are responsible for keeping track of your own time and are not to clock other employees in or out or fill out time sheets for anyone other than yourself. Doing so is considered a violation of payroll procedures and is cause for disciplinary action, up to and including termination.

Since Federal law requires that hourly employees be paid for all time worked, you may not work without being paid, which is considered "free time" (time off the clock). Further, you must only work your scheduled hours—overtime work must be specifically approved in advance by your supervisor. Regardless of workload, hourly employees are not permitted to work "off the clock." This means you cannot perform work on your own time to complete a job.

Fred Meyer stores are open seven days a week. Your work schedule will be completed and posted no later than 6 PM on the Thursday preceding the week the schedule becomes effective. Fred Meyer store locations use guidelines outlined in an allocation of hours policy when scheduling employees. Ask your supervisor for specific details about the allocation of hours policy.

If you are eligible for anniversary and vacation days, birthdays and personal holidays, you will need to fill out a form and submit it to your supervisor in advance of your scheduled absence. Other absences such as funeral leave, jury duty, and sick leave also require that a request form be filled out and submitted to your supervisor for proper personnel/payroll processing.

Telephone Etiquette

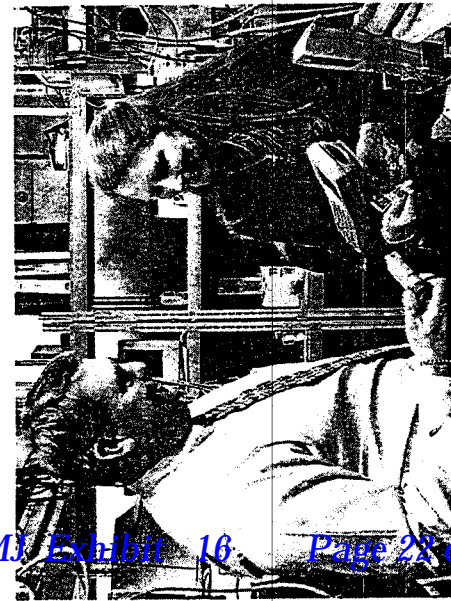
Customers often contact us by telephone. When the telephone rings, answer it promptly and courteously. Give the standard greeting, "Thank you for calling Fred Meyer. How may I direct your call?" Even if the call appears to be an inside call (one long ring), answering the phone with the proper greeting is important because Customer calls are often transferred from one department to another and ring like an inside call. If you have to keep someone waiting on the line, be sure to explain the reason for the delay so that the Customer will not think he or she was forgotten or disconnected.

Loss Prevention

Losses at Fred Meyer are caused by many factors, including damaged and broken merchandise, misuse of Company supplies, incorrectly priced merchandise and unfortunately, Customer and employee theft. As an employee, you play an important role in overall loss prevention. To carry out that responsibility and to remove any possible suspicion about your own actions, you should adhere to the following policies:

- All merchandise, store and office supplies and fixtures are Company property. Do not remove any Company property from the store, offices, plants or distribution centers without a proper sales receipt or intersection transfer document.
- The borrowing of Company money is strictly prohibited, as is the misuse of the employee discount.
- Unauthorized use of Company property such as radios, televisions, clothing, records, computer software or store/office supplies is prohibited.
- Damaged or returned merchandise may not be converted to personal use by employees.
- Merchandise from sales floors or stock rooms, such as pens, pencils and tape may not be converted for any use. Only authorized store supplies may be used on the job.
- No merchandise, supplies or fixtures are to be compacted, discounted, thrown out or given away without specific approval of the Store Director.
- Store employees may purchase merchandise on their breaks or lunch hours during regular business hours. All items purchased and then stored on the premises must be accompanied by an employee parcel tag. If you are scheduled to work before or after regular store hours, do not take the merchandise and leave the payment at the checkstand; this is against Company policy.

- The Employee Door program must be followed for work-shift entrance and exit.

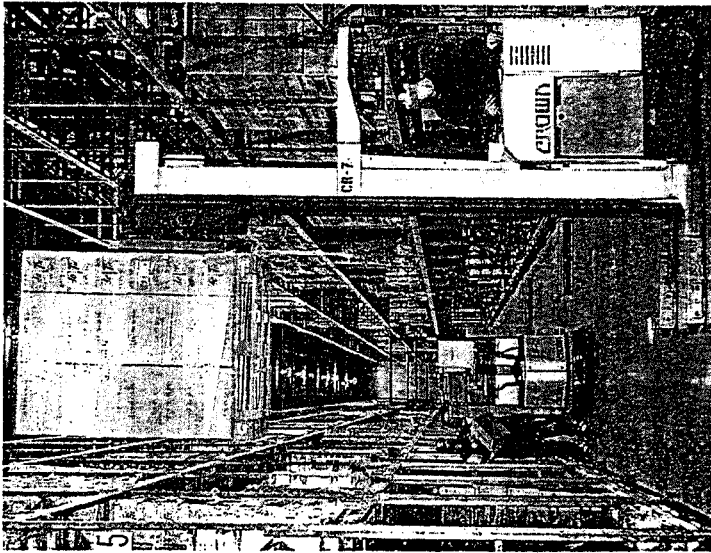


those in Loss Prevention) are eligible to participate in the Employee Incentive Award program. This program recognizes and rewards employees who, through their awareness and excellent Customer service, help the Company prevent theft. Your Loss Prevention Manager will provide you with further details.

Chapter 8

"Begin where others leave off; take advantage of their trial and error. This is what scientists do to achieve results; it will work for us as well."

—Fred G. Meyer



Health & Safety

- Workplace Safety
- Shopping Carts
- Injury to a Customer or Co-employee
- Personal Injury/Illness
- Hazardous Chemicals
- Bloodborne Pathogens
- Violence in the Workplace

Workplace Safety

Fred Meyer is committed to providing a safe environment for both its Customers and employees. All employees are expected to follow all safety policies and fire regulations as well as help correct or report any unsafe conditions in the workplace that might cause an accident. Many accidents can be avoided by following safe work practices. Some things you can do to prevent an accident from occurring include the following:

- Using proper lifting techniques
 - Wiping up spills immediately
 - Asking a co-employee to block the area around a spill while you get the tools needed to clean
 - Using "wet floor" cones
 - Using proper wrist/hand motion to avoid repetitive motion injury
 - Using gloves to avoid cuts/punctures when handling and cutting product
 - Using equipment (ladders, key machines, slicers, bandsaws, etc.) safely, maintaining all guards in place
 - Being careful not to stack merchandise too high
 - Receiving proper training before attempting to operate mechanical equipment
 - Avoiding reckless behavior
 - Using lockout/tagout procedures when cleaning or servicing equipment
- Note: CPR/First Aid assistance should be provided by trained personnel.

Housekeeping

Many accidents can be prevented by good housekeeping. Make sure your work area is clean and uncluttered, especially doorways, floors, aisles and stairs. It takes just a moment to pick up a grape or candy wrapper, move an abandoned basket or notify a person-in-charge about spilled or broken merchandise. Any unsafe conditions that are beyond your ability to correct should be reported to the person-in-charge.

Operating hazardous equipment

To comply with state and federal wage and hour laws, Fred Meyer requires that employees be at least 16 years of age and employees in plants, warehouses or retail service centers be at least 18 years of age. Employees under the age of 18 are not authorized to operate, clean or disassemble hazardous equipment, such as:

- Meat processing/cutting machines
- Bakery machines
- Cutting/slicing machines (including those for keys and mini-blinds)
- Cardboard and/or paper balers
- Forklifts
- Motor vehicles

- Power-driven woodworking machines
- Saws and shears (including circular saws, band saws or guillotine shears)

Personal Protective Equipment (PPE)

In keeping with the commitment to provide a safe work environment, Fred Meyer has assessed workplace hazards and determined that some operations require personal protective equipment (PPE).

When working with...	always use...
lift truck and floor scrubbing machine batteries and photo finishing chemicals, for example the one-hour photo developing machine	chemical resistant gloves, splash resistant goggles and apron
cleaning chemicals	plastic/nylon gloves and splash resistant goggles
grinding or sawing equipment, for example, key cutters, bandsaws, etc.	safety goggles
auto batteries	acid resistant gloves
hot ovens and/or fryers	heat resistant mitts or gloves
meat/produce knives and/or slicing equipment	cut-resistant mesh gloves or nylon mesh gloves
an injured person	single-use mouth barriers and disposable plastic gloves

In addition to the above listed personal protective equipment, Fred Meyer provides other safety tools that help reduce the risk of injury, such as:

Back belts

Guidelines have been developed to increase overall knowledge and awareness of potential back injuries. You will be instructed in safe lifting techniques and the proper use and care of back belt. Employees in some departments are required to wear the back belt, and a back belt is included as part of their dress code. Any employee may request a back belt if desired.

Use of a back belt will not prevent an injury; however, when worn correctly, it will remind you to lift properly while enhancing comfort and reducing fatigue on the job.

Box knives

Always use a box knife wisely. Follow these guidelines to avoid injury:

- Use safety box knife cutters with guards.
- Use sharp blades and dispose of blades properly in a sharps container.
- Close the cutter prior to storing.
- Keep your free hand and body out of the cutting path.
- Stop cutting when interrupted by a Customer or employee.
- Store box knives in a holster, not your pocket.

Safety shoes

The use of a good slip resistant shoe can prevent you from being injured in a slip and fall accident. Fred Meyer has determined that one of the best slip-resistant shoe lines available is Shoes For Crews. We have established a program that allows you to purchase shoes from Fred Meyer using a payroll deduction. To find out more about this program, ask your time and attendance operator for an order form.

Shopping Carts

A shopping cart, or basket, is one of the most often used pieces of equipment in our stores. Improperly used, a basket can be dangerous and may damage vehicles in the parking lot or injure children, Customers or employees.

If you see children:

- standing in or on the edge of baskets,
- riding underneath the basket or
- using the basket in an unsafe manner,

politely let them or their parents know that we are concerned for their safety and they need to stop the unsafe action.

Customers often abandon baskets. Watch for abandoned baskets and put them in their proper place.

Injury to a Customer or Co-employee

Every location, throughout the Company, has First Aid and CPR trained personnel to provide assistance in the event of an accident. If you are the first person to attend to an injured Customer or co-employee, use the overhead paging system to request assistance by saying "Assistance 88 is needed (give the location of the injured person)." If the accident/injury is serious, call 911 for local emergency assistance. In case of death, stroke or Customer assault, the person-in-charge must be notified immediately so he or she can call the proper authorities.

If you witness an accident involving a Customer or co-employee, no matter how slight, report it to your supervisor immediately.

Personal Injury/Illness

Your well being is our primary concern. All accidents, no matter how minor, must be reported to your supervisor immediately. Prompt reporting of every work-related injury or illness is not only required by Company policy, but also provides you with the earliest possible medical treatment and a record of the event for any future medical treatment that may be required.

If you are injured at work, the Company has a Return-to-Work Program that provides you with temporary transitional employment until you are able to return to your job at injury. If you have questions regarding safety procedures, accident reporting, hazardous materials or the Return-to-Work Program, be sure to ask your supervisor.

Hazardous Chemicals

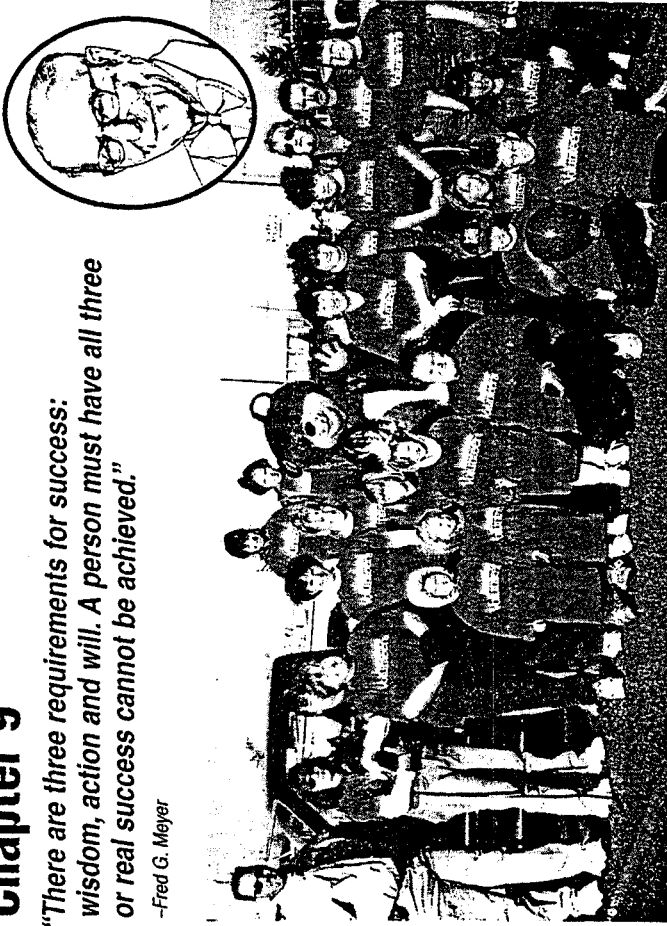
You have the right to know about health hazards associated with products containing hazardous chemicals that you might use while at work. This includes products encountered during hazardous spills cleanup. For your protection, only PICs are authorized to clean up hazardous material spills.

Material Safety Data Sheets (MSDS) list hazardous ingredients and the appropriate measures to take in case of inhalation, skin contact or accidental ingestion. MSDS are available for all chemical products used in the store. MSDS books are kept at the Customer Service Desk, Building Service and Maintenance room and in the food service departments. You may review MSDS at any time. MSDS for products sold by Fred Meyer can be obtained through 3E at 1-800-451-8346. You may call 3E to obtain an MSDS for a Customer (do not give this phone number to the Customer).

Chapter 9

"There are three requirements for success: wisdom, action and will. A person must have all three or real success cannot be achieved."

—Fred G. Meyer



Communications & Community Service

- Environmental Responsibility
- Fred Meyer Volunteers
- Gold Star Club
- Fred Bear
- Press Interviews

Bloodborne Pathogens

Bloodborne pathogens are micro-organisms in the blood or other body fluids that can cause disease. Some bloodborne pathogens are Hepatitis B (HBV) and Human Immunodeficiency Virus (HIV). Infected blood or other body fluids contaminated with blood can enter the body of another person through:

- openings in the skin, cuts, scrapes, rashes,
- mucous membrane openings, eyes, nose, mouth, or
- penetration of the skin with a sharp object.

To protect yourself, wear personal protective equipment, i.e. plastic gloves, mouth barriers, etc., before offering assistance to someone. Remember only employees trained in CPR and First Aid should offer assistance.

Violence in the Workplace

For the safety and well-being of its Customers, employees and vendor partners, Fred Meyer does not tolerate harassment, threats, intimidation or violence of any kind. Even threats made in jest are not tolerated. Any employee who is being harassed, threatened or intimidated, or witnesses an act of harassment, threatening behavior, intimidation or violence, should immediately report the situation to his or her supervisor, Store Director, or Loss Prevention.

Violent behavior is defined as any knowing and willful act that:

- causes a person to feel harassed or intimidated,
 - causes a person to believe he or she is under threat of bodily injury,
- or
- results in the damage/loss of property (belonging to another person or the Company).

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Environmental Responsibility

Fred Meyer believes that protection of the environment and cost-effective business practices are compatible. The Company's commitment to environmental responsibility is defined in a policy that states that we will:

- Meet or exceed environmental standards and regulations
 - Reduce pollution and promote the efficient use of resources
 - Assume a stewardship role for the natural resources under our influence
 - Manage our business in an environmentally responsible manner
- As a Fred Meyer employee, you can actively participate in the Company's efforts to enhance the environment. You can:
- Avoid unnecessary generation of waste
 - Follow Company procedures for recycling; don't throw away anything separated for recycling
 - Conserve water and energy
 - Manage hazardous materials in an environmentally responsible manner; when in doubt, don't throw it out. Ask your supervisor or the Environmental Affairs Manager what to do
 - Follow instructions for reporting and cleaning up hazardous spills
 - Order products that are environmentally friendly, such as refillable pens or products made from recycled paper
 - Copy double-sided whenever possible
 - Bring a reusable beverage cup for personal use, if your workspace allows
 - Support our environmental program by providing us with your ideas and feedback

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Fred Meyer Volunteers

The Fred Meyer Volunteers help volunteer representatives at various Fred Meyer locations organize teams to support charitable causes.

Every week brings something new for Fred Meyer volunteers seeking ways to help their communities. The Fred Meyer Volunteers may find themselves helping at auctions, painting houses or picking up debris at beach clean-ups. The Fred Meyer Volunteers recognize good works by issuing "Award of Excellence Certificates" and by publicly thanking those employees who have donated their time and efforts. The "Volunteer Opportunities" bulletin board in OfficeVision has information about joining the Fred Meyer Volunteers, or you can contact your local volunteer representative, Store Director or Community Relations.



Gold Star Club

The Fred Meyer Gold Star Club provides charitable assistance to employees and their families in times of need due to sickness, death, or other personal tragedy. The money is raised by employees for employees.

Employees with a minimum one-year employment are eligible for one-time assistance. All requests for funds from Gold Star are kept confidential. If you would like more information, contact the Gold Star representative for your region:

- Northern Region (Western Washington and Alaska)-Cinta Maluafiti (206) 439-6058
- Southern Region (Oregon and California)-Terra Bristow (503) 557-2632
- Eastern Region (Eastern Washington, Idaho, and Utah)-Linda Lund (801) 977-2010

The majority of the money collected and distributed by Gold Star Club is raised through regional golf tournaments held each summer. Please support and encourage others to support the Gold Star Club and tournaments so that they may continue their valuable work.

Fred Bear

Our Company mascot, Fred Bear, first started as the symbol of Freddy's Toy World. He has since evolved into an ambassador of goodwill and a symbol of community involvement and family values for Fred Meyer. Most of Fred Bear's time is spent on activities that give something back to the communities we serve. Fred Bear appears at a variety of events, such as grand openings, neighborhood parades, sporting events and children's hospitals. You can also find the Fred Bear logo on coloring books, watches, band-aids, children's clothing and assorted food items.

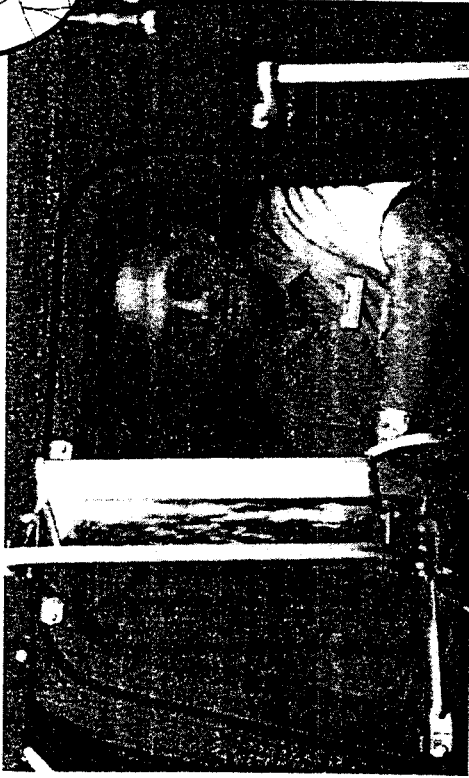
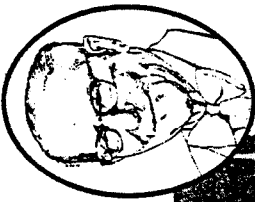
Press Interviews

Fred Meyer employees may not talk to the press or permit filming or photography at Company facilities without prior clearance from the Community Relations department at the main office. Store employees should refer all press inquiries to Community Relations or their Store Director.

Chapter 10

*"Give Customers a full 16 ounces to the pound,
100 cents to the dollar."*

—Fred G. Meyer



Communications & Resources

- Corporate Policy Handbook
- Company Magazine
- Credit Union
- Fred Meyer, the World Wide Web & Intranet
- Direct Deposit

Corporate Policy Handbook

Corporate policies and procedures are developed, maintained and distributed through Human Resources. Each department manager and Store Director has a copy of the handbook. The policy handbook contains corporate policies, which are defined as any policy that pertains to more than one division or concerns compliance with state/federal regulations.

Your employee handbook covers many of the corporate policies; however, if you have questions concerning Fred Meyer policies and procedures, contact your department manager, Store Director, or Human Resources.

Company Magazine

The "Q-municator" is Fred Meyer's magazine for employees, retirees and their families. The magazine contains news and feature articles about Fred Meyer, its employees and its many business operations. If you have a news item or a story idea, contact the editor at the main office.

Fred Meyer, the World Wide Web and Intranet

Fred Meyer is developing and maintaining several websites that provide Customers, investors, business partners, the media and employees with a variety of information about Fred Meyer stores. Among these sites are fredmeyer.com, fredmeyerjewelers.com, and pssRx.com. Visitors to our Company's websites can e-mail Fred Meyer with specific questions, review our advertised specials, find tasty recipes, send in resumes for current job openings, download important vendor information, buy Fred Meyer Gift Cards, order prescription refills, and more. New web features and services that will save our Customers, employees and business partners time and money are being continuously researched and added.

In addition to the Fred Meyer internet site, we also host an intranet site. The intranet site posts Company-wide internal communications. Once on the Web, an employee can access the Intranet by typing FMINFO in the address box. The intranet site allows different departments to post a variety of information, specific to each department. The contents of the intranet will continue to develop over time.

Credit Union

As a Fred Meyer employee, you and your family are eligible to join the Fred Meyer Employees Federal Credit Union on your first day of work. The Credit Union is a non-profit cooperative organized in 1935, which is member-owned. Fred Meyer Credit Union has joined an elite group of Credit Unions who recognize that safety and security of your money is vital. Each members' deposit accounts are federally insured to \$100,000 and privately insured to an additional \$250,000, providing up to \$350,000 deposit insurance coverage. Services include:

- Savings accounts that pay higher interest than most banks
- Checking accounts, including Free Checking
- ATM card
- VISA Check Card—the card that works like a check, cash and VISA card
- VISA Credit Card
- CU Service Centers—more branches to conduct your regular business transactions in 22 states; ask for a free directory
- Direct Deposit
- Payroll deduction for periodic payments, such as insurance, loan payments, and union dues
- Individual Retirement Accounts (regular and Roth IRAs)
- High Yield Savings accounts
- Share Certificate accounts, including Add-On Certificate with only \$200 minimum to open or \$10 with payroll deduction to open
- DIAL, toll-free anytime touch-tone phone teller
- Car, truck, RV and boat Loans
- Consumer Loans
- Personal Line-of-Credit Loans
- Residential Loans
- Home Equity Line-of-Credit Loans
- Mortgage Loans

The Credit Union has four offices and is affiliated with worldwide ATM networks and the credit union network:

- Portland:
12001 SE Morrison, Portland, OR 97216 (503) 253-6301 (Interoffice mail: 008369/CDU)
3800 SE 22nd Ave., Portland, OR 97202 (503) 797-7800 (Fred Meyer Main Office,
MO2 First floor. Interoffice mail: 04002/CDU)
- Kent:
25630 Pacific Highway S, Kent, WA 98032 (253) 941-3160 (Interoffice mail: 00217/CDU)
- Salt Lake City:
3090 East 3300 South, Suite 300, Salt Lake City, UT 84109 (801) 485-1145
(Interoffice mail: 00475/CDU)

www.fredmeyercu.org

Direct deposit

You may choose to have your payroll check electronically deposited into any checking or savings account.

To start your direct deposit, read the following section and complete the form on the reverse side of this page.

Direct Deposit Authorization for Preauthorized Deposits

I hereby authorize Fred Meyer Stores, hereinafter called Company, to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error to my checking and/or savings account in the depository named on the back of this page, to credit and/or debit the same to such account. Please allow up to three weeks for processing.

This agreement is to remain in effect until written notification has been received by the Company of its change or termination in such time to afford the Company a reasonable opportunity to act on it.

Fred Meyer will make the funds available to your bank on payday. You may want to check with your bank to find out when they will post your ACH deposit to your account.

Do not close your bank account without notifying Payroll in writing, 10 days in advance. Notify Payroll immediately in case of unexpected closure of your account.

When completed, please turn in this form to your Time and Attendance Operator or mail to:

04002/22H Attn: ACH Dept.

Fred Meyer

3800 S.E. 22nd Ave.

Portland, OR 97202

Fred Meyer Employee Handbook Receipt Acknowledgement

Please review and sign.

My signature below indicates that I have received, read and understand the Fred Meyer Employee Handbook. I understand that the policies stated in this handbook are intended as guidelines only and are subject to change at the sole discretion of the Company. In addition, I understand that this handbook should not be construed as and does not constitute a contract, expressed or implied, guaranteeing employment for a specific duration.

I further understand that no supervisor or representative of Fred Meyer Stores has the authority to enter into any agreement with me for employment for any specified period of time or to make any promises or commitments contrary to the foregoing.

Social Security Number _____

Employee's Signature _____

Date _____

Print Employee's Name _____

Supervisor's Signature _____

Date _____

Supervisor JI: Have the employee read, sign and date this page; then place in the employee's file.

Staple Check Here

1. Bank Name: _____

Bank Routing/Transit Number: _____

Bank Account Number: _____

☐ Net Check (or) ☐ Amount: \$ _____

☐ Checking (or) ☐ Savings

2. Bank Name: _____

Bank Routing/Transit Number: _____

Bank Account Number: _____

☐ Net Check (or) ☐ Amount: \$ _____

☐ Checking (or) ☐ Savings

Printed Name: _____

Date: _____

Social Security Number: _____

Store Number: _____

Signature: _____

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The policies stated in this handbook are intended as guidelines only and are subject to change at the sole discretion of the Company. This handbook should not be construed as and does not constitute a contract, expressed or implied, guaranteeing employment for any specific duration. Although we hope your employment relationship with us is long term, either you or the Company may terminate this relationship at any time, for any reason, with or without cause or notice. Please understand that no supervisor or representative of Fred Meyer has the authority to enter into any agreement with you for employment for any specified period of time or to make any promises or commitments contrary to the foregoing. In the event of any conflict between the provisions contained in any applicable collective bargaining agreement, the collective bargaining agreement shall govern in all cases with respect to employees covered by such agreement.

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What's on your list today? You'll find it at

Fred Meyer

Fred Meyer Stores
3800 SE 22nd Avenue
Portland, Oregon 97202
(503) 232-8844

fredmeyer.com

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